

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6984**

**BILL NUMBER:** SB 434

**NOTE PREPARED:** Apr 4, 2011

**BILL AMENDED:**

**SUBJECT:** Retail Handgun Dealer's Licenses.

**FIRST AUTHOR:** Sen. Hume

**FIRST SPONSOR:** Rep. Messmer

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill provides that after June 30, 2011: (1) a retail handgun dealer's license is valid for six years from the date the license is issued instead of two years; and (2) the fee to obtain the license is \$60 instead of \$20.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** (Revised) This bill will decrease the workload of the Indiana State Police (ISP) to process approximately 420 annual applications for retail handgun dealer's license renewals between FY 2014 and FY 2017.

**Explanation of State Revenues:** (Revised) *Summary:* This bill will increase the amount of revenue the state receives from retail handgun dealer's licenses by approximately \$16,800 per year during FY 2012 and FY 2013. However, the bill will also decrease revenue the state receives from retail handgun dealer's licenses by approximately \$8,400 per year during FY 2014 through FY 2017. Overall, this bill is expected to have no net fiscal impact on revenue received from retail handgun dealer's license fees during FY 2012 through FY 2017. A summary of the bill's net fiscal impact is included in the following table.

<b>Revenue Estimate</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Current</b>	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400
<b>As Proposed</b>	\$25,200	\$25,200	\$0	\$0	\$0	\$0
<b>Net</b>	\$16,800	\$16,800	(\$8,400)	(\$8,400)	(\$8,400)	(\$8,400)

**Additional Information:**

Revenue collected from fees for retail handgun dealer's licenses is deposited into the state General Fund.

The Indiana State Police report that between FY 2007 and FY 2010, there were an average of 420 retail handgun dealer licenses sold in the state per year. Currently, the fee to obtain a retail handgun dealer's license is \$20. This bill will make the fee \$60, thereby generating an additional \$40 of revenue for each license requested. Assuming 420 individuals will renew their retail handgun dealer's licenses each year, this bill will generate approximately \$50,400 in revenue for FY 2012 and FY 2013, representing an increase of approximately \$33,600 in revenue during FY 2012 and FY 2013.

On the other hand, retail handgun dealer's licenses are currently valid for two years. The bill will make these licenses valid for six years. This bill will decrease revenue received from retail handgun dealer's license renewals by \$33,600 between FY 2014 through FY 2017 (or \$8,400 per year). The estimated reduction in state revenue from fees for retail handgun dealer's licenses is listed in the table above.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** ISP.

**Local Agencies Affected:**

**Information Sources:** Sgt. Jason Fajt, Indiana State Police; Lt. Jerry Berkey, Indiana State Police.

**Fiscal Analyst:** Bill Brumbach, 232-9559.